

# **Board Structure and Financial Performance of Listed Finance Companies in Sri Lanka**

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## **Abstract**

This study investigated the relationship between board structure and financial performance of listed finance companies in Sri Lanka. Data were gathered from the financial statements of randomly selected 20 finance companies which are listed on CSE under Bank, Finance and Insurance Sector for the period of 2011-2015. Financial performance was measured by return on assets (ROA). Board size, female board members, CEO duality, and non-executive directors were considered as the parameters of board structure. Furthermore market capitalization was taken as the control variable. Pooled OLS was performed using STATA for the analysis of data. Results of the study revealed that board size and non-executive directors had significant relationship with ROA. Besides, female board and CEO duality were not significantly related to ROA. This study may helpful for the practitioners and policy makers to maximize the profit. Moreover, analyzing the relationship between board structure and financial performance of firms offering non-financial services can also be a worthwhile research.

**Keywords:** board structure, financial performance, listed finance companies